

ARTICLE IV - BOARD OF DIRECTORS

SECTION 4.01 General Powers. The business and affairs of the Cooperative shall be directed by a Board of eleven Directors, which shall exercise all the powers of the Cooperative, except those that are by law, the Articles of Incorporation, or these bylaws, conferred upon or reserved to the members. For purposes of these bylaws, reference to a "Director" or "Directors" shall be deemed to be references to "Trustee" or "Trustees", as the case may be, within the meaning of K.S.A. 17-4612 of the Kansas Electric Cooperative Act.

SECTION 4.02 Election and Tenure of Office. Directors shall be elected from each district described in section 4.04 for a term of three years as terms of office expire or until successors shall have been elected and qualified.

SECTION 4.03 Qualifications to be Nominated, Elected and Remain a Director. Any natural person shall be eligible to be nominated, elected and remain a Director of the Cooperative who:

- (1) Is a member and bona fide resident in the particular district which the member is to represent; and
- (2) Has not been employed by the Cooperative within the past thirty six months; and
- (3) Is not in any way financially interested in a competing enterprise or a business engaged in selling energy, energy services or energy supplies or maintaining energy producing or selling facilities; provided however, this provision shall not be applicable solely by reason of ownership of up to five percent (5%) of the outstanding capital stock of any publicly traded corporation. The Board may grant exceptions for "de minimus" competing enterprises; and
- (4) Is not closely related to an incumbent Director or an employee of the Cooperative. The term "closely related" means the relationship of spouse, father, mother, brother, sister, son, daughter, grandparent and grandchild existing by reason of blood, marriage or adoption.

Upon establishment of the fact that a Director is holding the office in violation of any of the foregoing provisions, the Board shall remove the Director from office.

Nothing contained in this section shall affect the validity of any action taken at any meeting of the Board.

SECTION 4.04 Districts. The Cooperative, for purposes of Director elections, shall be divided into three (3) districts. Each district shall be represented by three (3) Directors and one district at large which shall be represented by one Director.

The boundaries of such district shall be described as follows:

West District: shall be areas served by the cooperative west of highway I-135/US 81.

Central District: shall be the area served by the cooperative east of highway I-135/ US 81 and west of highway K-15.

East District: shall be the area served by the cooperative east of highway K-15.

SECTION 4.05 Nominations of Directors. The Board shall appoint an elections committee not less than sixty (60) days nor more than one hundred eighty (180) days before any meeting of the members at which Directors are to be elected. The committee shall consist of not less than five nor more than thirteen members who shall be selected from different areas served by the Cooperative. No member of the Board may serve on such committee.

Nominations shall be made by petition. A petition signed by at least fifteen (15) members may nominate a member for Director elections.

The elections committee shall validate the qualifications of candidates nominated by petition and shall prepare and post a list of nominations for Directors at the office of the Cooperative at least forty five (45) days before the meeting. The Secretary shall mail a statement of the number of Directors to be elected, and the names and addresses of the candidates nominated at least ten days before the date of the meeting.

If the Directors determine that the election of Directors shall be by mail, electronic or combination ballot, only those nominees nominated by petition received at least sixty (60) days before the meeting, shall be on the ballot and there shall be no nominations from the floor. Minor or immaterial deviations from strict compliance with the provisions of this section shall not affect the validity of any elections of Directors.

SECTION 4.06 Removal of Directors by Members and Resignations. Members may request the removal of a Director by filing a petition stating the reasons, and signed by at least ten percent of the members. The Director shall be given written notice of the reasons listed on the petition at least ten days prior to the meeting of the members at which the removal is to be considered, and shall have an opportunity at the meeting to be heard in person or by counsel, and the person requesting the removal shall have the same opportunity. The question of removal of such Director shall be considered and voted upon at the meeting of the members, and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

A Director may resign at any time by written notice delivered to the Board, President, or Secretary of the Cooperative. A resignation is effective when the notice is delivered unless it specifies a future date.

SECTION 4.07 Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of Directors by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Directors for the unexpired portion of the term.

SECTION 4.08 Compensation. Directors shall not receive any salaries for their services as Directors and except in emergencies, shall not be employed by the Cooperative in any capacity involving compensation without the approval of the members. These bylaws may, however, provide that a fixed fee and expenses of attendance may be allowed to each Director for attendance at each meeting of the Board and for other functions duly authorized for and on behalf of the Cooperative.